

# Response to Internal Audit City Wide Cash Count Project

Office of the Comptroller – Treasury Division

Luis Ortiz, CPA

# Observation 1

- Observation Summary:
  - MCAD reflects \$500.00 as petty cash per accounting records.
  - MCAD provided backup of returning the petty cash on 10/18/2012.
- Response and Corrective Action Plan:
  - Noted petty cash set up was posted on 3/4/2009.
  - Cash returned by MCAD on 10/18/12 and transaction posted incorrectly to the general cash account (101000) as a debit and credit having a \$0.00 effect to cash.
  - To correct balance, a reclassification entry has been posted on 12/31/2014 to reduce the petty cash account (104000) and increase general cash account (101000).

# Observation 1 (Continued)

- Timeframe for Implementation of Corrective Action Plan:
  - N/A – completed
- Preventive Plan:
  - Starting month end of January – TSD will conduct a monthly review of transactions affecting petty cash account (104000).

# Observation 2

- Observation Summary:
  - Library Department reflects \$200.00 as change fund/petty cash per accounting records, however Department does not have possession of any petty cash.
  - Internal Audit also noted \$3,150.03 in the petty cash account (104000).
- Response and Corrective Action Plan:
  - Followed recommendation from Internal Audit and obtained required forms and explanations on the shortage from Library Department for the \$200.00.
  - Treasury Division will be adjusting the \$200.00 balance.
  - Regarding \$3,105.03 noted transactions from 2001 thru 2004, currently under review by Library Department.
  - Departments will be informed that all adjustments related to the petty cash account (104000) will be entered by Treasury Division.

# Observation 2 (Continued)

- Timeframe for Implementation of Corrective Action Plan:
  - Before closing of January's fiscal month (5<sup>th</sup> business day of February).
- Preventive Plan:
  - Review transactions affecting Petty Cash account (104000) starting month close of January 2015.
  - On-going training of Treasury staff on how to handle the Petty Cash account.

# Observation 3

- Observation Summary:
  - The Internal Audit Department noted Parks Department and MCAD Department have a lack of internal controls for various locations regarding cash handling.
- Response and Corrective Action Plan:
  - Contact Business Managers City Wide to schedule and provide internal controls training for cash handling functions/ analyze current internal controls in place.
  - Cash Manual will be provided and explained to Business Managers.
- Timeframe for Implementation of Corrective Action Plan:
  - February 15<sup>th</sup>, 2015